

Message Text

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62/46

ACTION EB-12

INFO OCT-01 CIAE-00 COME-00 DODE-00 NSAE-00 RSC-01 TRSE-00

EUR-25 AEC-11 ISO-00 ACDA-19 MC-02 SCI-06 NASA-04

AECE-00 DRC-01 /082 W

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P 021757Z OCT 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 5425

INFO USMISSION OECD PARIS

AMEMBASSY MOSCOW

USMISSION BERLIN

USMISSION IAEA VIENNA

C O N F I D E N T I A L SECTION 01 OF 02 BONN 15591

EXCON

C O R R E C T E D C O P Y -- HEADING --

E.O. 11652: XGDS-1

TAGS: ESTC, COCOM, GW

REF: A. STATE 315817, B. STATE 310987, C. OECD PARIS

22528, D. BONN 14933

1. SUMMARY: ECONOMICS MINISTRY COCOM OFFICERS CALLED IN EMBOFFS ON OCT 2 TO DISCUSS PROPOSED NUCLEAR POWER PLANT AND FRG REQUEST FOR COCOM WAIVER, AND TO REGISTER FRG VIEW THAT USSR WILL NOT CHANGE ITS POSITION ON NUCLEAR SAFEGUARDS IN ORDER TO OBTAIN POWER PLANT. SINCE PROJECT WILL PROBABLY BE RAISED DURING CHANCELLOR SCHMIDT'S VISIT TO MOSCOW IN LATE OCTOBER, WE MAY EXPECT FURTHER HIGH LEVEL FRG APPROACHES TO ACCELERATE CONSIDERATION OF COCOM WAIVER. END SUMMARY

2. DISCUSSION WITH GAYMANN AND DUECHTING IN ECONOMICS
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MINISTRY CENTERED ON COCOM ASPECTS OF NUCLEAR

POWER PLANT PROJECT, BUT ALSO BROUGHT OUT FURTHER INFORMATION SUPPLEMENTING THAT REPORTED IN REF D. SUBSTANCE THEIR REMARKS FOLLOWS:

3. IN ADDITION TO ITS EXPORT VALUE, SALE OF 1300 MWE NUCLEAR POWER PLANT TO USSR RESPONDS TO SEVERAL FRG OBJECTIVES, ESPECIALLY ASSURED POWER SUPPLIES FOR BERLIN. IT ALSO FORMS ONE ELEMENT OF USSR-FRG ECONOMIC AND SCIENTIFIC COOPERATION PROGRAM. SOVIETS HAVE GIVEN CERTAIN ASSURANCES THAT REACTOR WILL PROVIDE UNINTERRUPTED POWER SUPPLY TO BERLIN. PROJECT ENVISAGES VERY HIGH VOLTAGE D.C. POWER TRANSMISSION LINE DIRECTLY FROM REACTOR TO BERLIN TO BE BUILT BY SOVIETS AND BASED ON SOVIET TECHNOLOGY. POWER SUPPLIED WOULD BE METERED IN BERLIN, CONVERTED TO A.C. FOR TRANSMISSION FROM WEST BERLIN TO FRG. POWER LINK BERLIN TO WEST GERMANY COULD FUNCTION IN BOTH DIRECTIONS PERMITTING EMERGENCY TRANSFER OF POWER FROM FRG GRID TO BERLIN. D.C. POWER LINE FROM REACTOR TO BERLIN WOULD, AT LEAST INITIALLY, BE WITHOUT ANY CONNECTION TO POWER GRIDS OF POLAND OR DDR AND WOULD HAVE "EXTRA-TERRITORIAL" STATUS IN THOSE COUNTRIES. GAYMANN NOTED THAT USSR IS NOW WORKING OUT AGREEMENTS WITH POLAND AND DDR FOR POWER LINE, BUT WAS NOT CLEAR WHAT "EXTRA TERRITORIAL" STATUS IMPLIED IN THIS CASE. NO SWITCHING POINTS WOULD BE CONSTRUCTED WHICH COULD PERMIT EITHER POLAND OR DDR TO INTERRUPT CURRENT SUPPLY TO BERLIN. FURTHERMORE, GAYMANN COMMENTED THAT INTERRUPTION OF HIGH VOLTAGE D.C. POWER TRANSMISSION IS A FAR MORE COMPLEX PROBLEM THAN WITH A.C. LINES.

3. GAYMANN NOTED THAT ALTHOUGH US AND UK HAVE VOLUNTARILY ACCEPTED SAFEGUARDS PROCEDURES FOR SOME NUCLEAR PROJECTS, AS NUCLEAR STATE USSR IS NOT OBLIGED BY NPT TO ACCEPT SAFEGUARDS ON SPECIAL NUCLEAR MATERIALS ASSOCIATED WITH SUBJECT REACTOR. HE SAID FRG HAS NOT YET DISCUSSED SAFEGUARDS WITH USSR. HOWEVER, BASED ON PREVIOUS USSR ATTITUDES AND PRONOUNCEMENTS, FRG ASSUMED FROM INCEPTION OF NEGOTIATIONS THAT USSR WOULD BE CONFIDENTIAL

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UNWILLING ACCEPT ANY SAFEGUARDS ON NUCLEAR MATERIALS. APPARENTLY NOTHING IN SOVIET ATTITUDE OR NEGOTIATING STANCE HAS ALTERED THIS IMPRESSION AND TO BEST GAYMANN KNOWLEDGE QUESTION OF SAFEGUARDS HAS NOT BEEN DIRECTLY ADDRESSED IN FRG-USSR NEGOTIATIONS. DIRECT PURCHASE OF ENRICHED URANIUM FROM USSR WAS BRIEFLY CONSIDERED BUT FRG WAS GIVEN TO UNDERSTAND EITHER THAT THERE IS A SHORTAGE OF NATURAL URANIUM IN

THE USSR OR THAT USSR URANIUM DEPOSITS ARE IN REMOTE
AREAS OR ARE EXPENSIVE TO WORK. EVENTUALLY THIS PLAN
WAS ABANDONED.

4. PROJECT NOW ENVISAGES KRAFTWERKEUNION (KWU) PURCHASE
OF NATURAL URANIUM ON FREE WORLD MARKET AND ITS
TOLL ENRICHMENT IN USSR. URANIUM WOULD REMAIN PROPERTY

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C O N F I D E N T I A L SECTION 02 OF 02 BONN 15591

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OF KWU FROM ITS PURCHASE UNTIL DELIVERY OF FINISHED
FUEL ELEMENTS TO USSR. UPON DELIVERY FUEL
ELEMENTS FOR FIRST CORE LOADING, THEIR OWNERSHIP WOULD
PASS TO USSR. QUESTION OF REPROCESSING AND PRODUCED
PLUTONIUM WOULD THEREFORE NOT ARISE AND RETURN OF
FUEL ELEMENTS TO FRG WOULD INVOLVE COMMERCIALY
UNATTRACTIVE PROSPECT OF QUOTE REPURCHASE UNQUOTE OF
SPENT FUEL ELEMENTS FROM USSR BY FRG. GAYMANN SAID
FRG ASSUMES THAT USSR IS NOT DEPENDENT FOR MILITARY
PURPOSES ON PLUTONIUM PRODUCED IN SUBJECT REACTOR AND
THAT RETENTION THIS PLUTONIUM IN USSR WOULD NOT ALTER

USSR STRATEGIC POSTURE.

5. GAYMANN COMMENTED THAT UNDER PRESENT PLAN TAILS WOULD BE RETURNED TO FRG WITH ENRICHED URANIUM FOR FUEL ELEMENT FABRICATION AS REQUIRED BY COCOM. HOWEVER, TAILS WOULD POSE A PROBLEM IN THAT NO ONE REALLY WANTS THEM RETURNED. HE NOTED THAT FRENCH COCOM DELEGATION HAD SUGGESTED REMOVING TAILS FROM COCOM LIST.

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6. DRAWING ON REFTTEL A, EMBOFFS COMMENTED THAT RESPONSE TO OUR QUERIES ON SAFEGUARDS WERE NEEDED IN CONNECTION WITH FRG REQUEST FOR COCOM EXCEPTIONS AND NOTED THAT ADDITIONAL SAFEGUARDS QUESTIONS WOULD ALSO BE ADDRESSED TO GERMAN COCOM DELEGATES IN PARIS.

7. COMMENT: AS FRG AIDE MEMOIRE NOTED, NUCLEAR POWER PLANT PROJECT WILL BE ON AGENDA FOR NEXT FRG-USSR ECONOMIC AND SCIENTIFIC COOPERATION MEETING SCHEDULED FOR OCT 15-18 IN MOSCOW. PROJECT WILL PROBABLY ALSO BE RAISED DURING SCHMIDT VISIT TO MOSCOW IN EARLY NOV. IMPORTANCE WITH WHICH FRG REGARDS THIS PROJECT MAY BE EVIDENCED BY REPORT FROM GERMAN OFFICIALS THAT GENSCHER RAISED IT BILATERALLY WITH SECRETARY KISSINGER ON SEPT 26. BEYOND ITS ECONOMIC SIGNIFICANCE, FRG VIEWS IT AS IMPORTANT FOR MAINTENANCE OF BERLIN VIABILITY AND, IN BROADER TERMS, AS A MEANS OF FURTHERING OSTPOLITIK. WE MAY, THEREFORE, EXPECT FURTHER HIGH LEVEL APPROACH TO ACCELERATE EXCEPTIONS PROCEDURE AS DATE FOR SCHMIDT'S MOSCOW VISIT NEARS.
HILLENBRAND

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